



C. L. "BUTCH" OTTER
Governor
MIKE GWARTNEY
Director

State of Idaho

Department of Administration
Division of Insurance and Internal Support
Office of Group Insurance

650 West State Street, Room 100
P.O. Box 83720
BOISE, ID 83720-0035
Telephone (208)332-1860 or FAX (208)332-1888
<http://www.adm.idaho.gov/>

Date: November 1, 2007

GROUP NAME: State of Idaho

**CONTACT: Office of Group Insurance
800-531-0597 Toll Free
(Boise Area 332-1860)**

Important Notice From State of Idaho About Your Prescription Drug Coverage and Medicare Part D

This notice is to any Medicare Eligible person who is enrolled in one of the group medical plans offered by the State of Idaho for its employees, retirees and dependents. If you are not on Medicare, please disregard this notice.

Please read this notice carefully and keep it where you can find it. This notice has information about the State of Idaho's prescription drug coverage with Blue Cross of Idaho and also contains information to help you decide whether or not you want to enroll in Medicare Part D (prescription drug coverage) for people who are eligible for Medicare. *(If you are not eligible for Medicare, please ignore this notice.)*

- The State of Idaho has determined that your prescription drug coverage with Blue Cross of Idaho is creditable.
- Creditable means that the amount this prescription drug coverage is expected to pay (on average) is as much as what the standard Medicare prescription drug coverage will pay (on average).
- When you become eligible for Medicare, you can enroll in Medicare Part D. Your coverage under the State of Idaho Retiree Medical plans will not be affected. If you do not sign up when first eligible, you may enroll between November 15 and December 31 of each year.

(Continued on back page)

- If you do not sign up when first eligible and/or if you go 63 days or longer without prescription drug coverage that's creditable (at least as good as the standard Medicare prescription drug coverage), you may have to pay a higher monthly premium
 - ◊ The higher premium charge is based on the number of months you did not have creditable coverage.
 - ◊ The penalty is 1% per month without creditable coverage. For instance, if you went 19 months without creditable coverage and then signed up for Medicare Part D, your premium would be 19% higher than the premium rate at the time you sign up.

Because the coverage you have with the State of Idaho is at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to sign up for Medicare Part D – as long as you do not go 63 days or longer between the time you terminate your creditable coverage and sign up for Medicare Part D.

If you decide to enroll in a Medicare prescription drug plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the Medicare prescription drug plans available in your area.

If you would like more information on creditable coverage, visit the CMS Web site at www.cms.hhs.gov/creditablecoverage.

More information on your options under Medicare prescription drug coverage can be found at:

- Medicare's Web site, www.medicare.gov
- The state of Idaho Senior Health Insurance Benefits Advisors, 800-247-4422
- Medicare, 800-633-4227; TTY users call 877-486-2048.

You will receive this notice annually or if the prescription drug coverage through the State of Idaho changes. You may also request a copy of the notice at any time.

For people with limited income and resources, extra help in paying for Medicare prescription drug coverage is available. To learn more, contact the Social Security Administration online at www.socialsecurity.gov or by telephone at 800-72-1213; TTY users call 800-325-0778.

Please keep this notice. If you sign up for Medicare prescription drug coverage, you may need to give a copy of this notice when you join so you do not pay the higher premium charge.